



**U.S. Department of Justice
U.S. Attorney's Office
Western District of Texas**

Johnny Sutton, U.S. Attorney

FOR IMMEDIATE RELEASE

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**AUSTIN AREA MORTGAGE FRAUD SCHEME LEADER
SENTENCED TO 327 MONTHS IN FEDERAL PRISON**

United States Attorney Johnny Sutton announced that in Austin this afternoon, former Austin resident Cornelius Robinson was sentenced to 327 months in federal prison for masterminding a multi-million dollar mortgage fraud scheme. The overall conspiracy involved sixteen named defendants, at least 33 properties, 19 financial institutions and over \$4.5 million in claimed losses.

“Mortgage fraud and other criminal schemes involving the housing market are serious crimes which we will aggressively prosecute. Today’s sentence is clear evidence that these scammers will be punished. The house of cards which Mr. Robinson deceptively built came crashing down on him today when he was sentenced to over 27 years in prison,” stated United States Attorney Johnny Sutton.

In March, Robinson was convicted of conspiracy to make false statements related to a loan, conspiracy to commit wire fraud, five substantive counts of wire fraud, 9 substantive counts of false statements related to a loan, one count of aiding and abetting the receipt of commissions or gifts from loans by a bank employee, conspiracy to commit money laundering and 7 substantive counts of money laundering.

From September 1999 to present, Robinson and his co-defendants participated in a scheme to defraud mortgage lenders, including federally insured financial institutions, with regard to loans acquired to purchase 33 properties in the Austin and San Antonio area. The scheme centered upon the use of real estate “flips.” That is, the defendants purchased property at one price and would immediately sell, or “flip,” the property to a “straw buyer” at a higher price. In doing so, the mortgage lenders were deceived as to the true nature of the transaction and the financial status of the “straw buyer.” The straw buyers did not make the subsequent monthly mortgage payments and all of the loans have gone into default. All of loans have been either foreclosed upon or are the subject of current foreclosure proceedings.

On August 8, 2008, Robinson failed to appear for his original sentencing hearing. Four days later, deputy U.S. Marshals tracked Robinson down and arrested him at a residence in rural Caldwell County. At the time, Robinson was in possession of a shotgun as well as a 9mm pistol.

This case was investigated by the Federal Bureau of Investigation and the Internal Revenue Service - Criminal Investigations. The case is being prosecuted for the government by Assistant United States Attorney Mark Lane.

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